# Taxes DA

## 1NC

### 1NC Core

#### US economy is growing but weak management and global market instability puts the economy at risk.

Swagel 11/21 [Phillip Swagel (Professor at the School of Public Policy at the University of Maryland). “An Optimistic View of the United States.” New York Times. Economix] AJ

In the face of the political impasse that thwarts progress on so many economic issues facing the United States — spending changes, tax reform, immigration, and so on — it’s enlightening to get a new perspective from stepping outside the country. I’ve been doing just that this week, as part of a group of economists considering fiscal policy issues at a conference in Abu Dhabi put on by the World Economic Forum. The conference, labeled the Summit on the Global Agenda, is a sort of minor league for the big show held each year in Davos, Switzerland. It’s the wonk version of double-A ball. To my surprise, I’ve come away more optimistic about the United States economy. It’s not that we’ve solved our fiscal problems or avoided the next shutdown or debt ceiling debacle. Nor is the United States evidently any closer to a bipartisan agreement on policies to bolster near-term growth or resolve our long-term fiscal challenge. Not by a long shot, as was captured in an insightful article this week by Jackie Calmes of The New York Times. But my policy working group includes a sizable contingent of Europeans, and listening to their discussion of economic policy making in the euro zone makes clear just how much progress the United States has made since the financial crisis flared in the summer of 2007. Europe is still dealing with the unresolved issues of the crisis, including the debts of governments and households that hold back spending, and the overhang of bad loans at banks that deter the lending needed to support new investment and job creation. On each of these dimensions and more, the United States has taken at least some positive steps while continental Europe has virtually wasted six years. The International Monetary Fund’s latest forecast is for 1 percent growth in gross domestic product in the euro area in 2014 — an improvement after two years of recession, but dismal compared with the 2.6 percent growth expected in the United States. (Paul Krugman puts it more sharply — that the euro recovery is worse even than that of the 1930s.) And this slim euro-area expansion masks wide disparities in the situation across countries. In Germany, the unemployment rate has remained around 5.5 percent, better than in the United States, while crisis-ridden countries like Greece, Italy, and Spain face much worse — 27 percent unemployment this year in Greece and Spain, and 12 percent in Italy. The usual adjustment mechanism for a country in such straits would be to achieve export-led growth through expansionary monetary policy and a weaker currency. But countries in the euro area do not control their own monetary policy. That is up to the European Central Bank, which so far has not followed the Federal Reserve in aggressive monetary easing. Leaving the euro is off the table for political reasons. The E.C.B. recently made a small cut in the policy interest rate and has purchased government bonds to help the weak countries, but these actions so far have been just enough to avoid catastrophe like a default in Italy or Spain that inflicts widespread losses on European banks. One might see the E.C.B.’s reluctance to do more to stimulate the euro area economy as a means to keep the pressure on for fiscal adjustment — to ensure that the formerly profligate governments achieve rectitude. Meanwhile, European policy makers debate how much cash can be sent south to ease the pain of the adjustment while avoiding such generosity that governments deviate from fiscal austerity. It would not be a surprise if other countries in Europe eventually are forced to take on some of the debt burdens so that the weak countries can finally grow again. But the policy debate is far from this, leaving austerity to grind down wages and incomes so that companies in the south of Europe can compete with the German export juggernaut. European financial markets are more bank-centric than those in the United States, where bonds and securitized assets reign, amplifying the negative impact of having euro area banks weighted down by bad loans. Yet another stress test is planned in 2014 to identify the bad banks and either strengthen or weed them out, but previous such exercises in Europe did not restart lending. And policy makers are still struggling to develop mechanisms to shut down bad banks in a consistent way across the euro area — something that is routine across the 50 states here. Ultimately, a new round of bank bailouts is likely to be needed in Europe, but this requires yet more cash to flow from the strong economies to the weak ones, and the political decision for this again is far from being made. Just imagine the problem if it had taken five years instead of five weeks to pass the legislation that created TARP to stabilize the United States financial system. That is Europe. Ultimately, achieving the stronger growth that will help European countries get out from the weight of their debts probably requires structural reforms to increase the flexibility of European labor markets. This is yet another longstanding debate in Europe, and probably means changing aspects of the cherished welfare state – another political nonstarter. In the meantime, Europe is a slow-motion train wreck, unable to switch onto a better track. The contrast with the United States is vast, starting with the concerted efforts to stanch the financial crisis that were started in one administration and then carried on by another. With fiscal policy, the United States came close to a debt default not too many weeks ago, but we have actually made some progress on fiscal consolidation, and more is likely in 2014 through the combined impact of the sequester that limits spending and rising revenues from stronger growth. The latest fiscal update from the Congressional Budget Office has the budget deficit down to 2 percent of G.D.P. in 2015 and the debt level falling slightly to 68 percent of G.D.P. in 2018. The long-term fiscal challenge remains: deficits and debt levels are set to soar over the ensuing decades and acting sooner will make the resulting adjustments less difficult. But there appears little prospect of a funding problem for several years at least, meaning that we can have measures to take hold over time rather than being forced into a sharp austerity. The United States further has made considerable progress on financial policy dimensions that stymie Europe, with household and business debt burdens down (though student loan debt is a rising concern), and banks are much stronger with greater capital ratios and fewer bad loans than in 2008. Financial regulatory reform has provided United States policy makers with important new tools, albeit as yet untested, to deal with future problems including at large banks. To be sure, the unemployment rate is still too high and job creation not yet robust. But the aspect of the American economic situation that makes me most optimistic compared to Europe is that we are not just growing, but have the potential to do even better. Immigration reform, while politically difficult, is manifestly in our economic interest and would foster growth. The same is true for policies that expand trade, such as completion of the Trans-Pacific Partnership. And the innovative sectors of the economy, if anything, appear to be accelerating in the pace of their entrepreneurial fervent. Having taken steps to move beyond the financial crisis, the United States is thus in a favorable position, with an opportunity to take on longer-term economic challenges such as immigration, education, inequality, retirement security and the necessary fiscal adjustment over time, including reforms of entitlement programs. This last point is vital and should not be delayed simply because the fiscal situation is stable for a period. Indeed, a key point my group made to others at the Abu Dhabi conference was that fiscal sustainability is essential to ensure that resources are available for the public sector to contribute to addressing all other agenda items. In a sense, a key challenge for countries of the euro zone is to finally take steps to resolve their fiscal and financial problems, at least enough so that policy makers can lift their horizons to address longer-term concerns. Seen from the outside perspective, it looks as if the United States has that opportunity.

#### Strong ACP is key to tax code credibility and collection – that’s key to better business decisions and tax incentives and upholds the stability of the entire tax system

Volz and Ellis 9 [(William, Professor of Business Law and Ethics at Wayne State University Detroit; B.A. 1968 from Michigan State University, A.M. 1972 from University of Michigan, J.D. 1975 from Wayne State University Law School, M.B.A. 1978 Harvard University; Theresa, Associate Attorney at Garrison LawHouse, B.A. 2003 from Wayne State University, J.D. 2006 from Valparaiso University School of Law, LL.M. in Taxation 2008 from Wayne State University Law School) AN ATTORNEY-CLIENT PRIVILEGE FOR EMBATTLED TAX PRACTITIONERS: A LEGISLATIVE RESPONSE TO UNCERTAIN LEGAL COUNSEL HOFSTRA LAW REVIEW Vol. 38:213] AT

The complexity of the tax system makes the premise that the attorney-client privilege promotes compliance with the law seem especially true in the tax context.215 Tax attorneys can help. The candidness stimulated by confidentiality should result in more legal compliance, not less. Attorneys can help the client fully comply with the law and fully give their client the benefit of their expertise only if they are apprised of the client’s entire situation.216 Candidness between the attorney and client should lead to more accurate information being reported to the IRS and better comportment with the Code.217 Full disclosure allows a sophisticated tax attorney to plan the tax implications of business decisions more thoroughly, to recommend more thoughtful business strategies, and to prepare more truthful returns.218 Candid discussions with a trustworthy tax attorney lead to sound business decisions that take full advantage of tax incentives, but acknowledge full exposure for tax liability.219 Congress uses the Code both to foster economic growth for American society as well as to generate operating revenue for the American government.220 Underlying the broad range of economic and social policy fostered by the complicated provisions of the Code is almost certainly a conscious decision by Congress to foster honesty by compelling taxpayers to enlist the aid of professional tax advisors. Not only does the privilege not impede a tax system based on self-assessment, the system requires the privilege to function properly. If we accept that the IRS will often not have the resources to police every taxable transaction, open communication enhances the tax attorney’s role as a gatekeeper for the tax system. Only by fostering candidness and openness, the hallmark of the attorney-client privilege, can the gatekeeper effectively play this role. The attorney-client privilege is a necessity for a tax system that is based upon self-assessment and voluntary compliance. The greater the disclosure between the client and attorney, the more truth will ultimately be divulged to the IRS. Greater disclosure to the tax advisor is the key to a fairer, more efficient, and valid tax system. Allowing the IRS to have unchecked access to communications that have for hundreds of years been protected in our legal system will harm the public’s faith in our tax system.224 Removal of this time-honored evidentiary privilege could well cause the taxpayer to view the system as unfairly skewed, not in favor of tax avoiders and evaders, but in favor of the IRS and a revenue-collection bias.225 The perception of a confiscatory tax system could do substantial harm to a system based on voluntary compliance.22

#### I’ll isolate 2 scenarios – first is small businesses – tax compliance is key to the economy

Graves 13 [(Sam, US Representative for Missouri’s 6th congressional district, Chairman, Committee on Small Businesses) “Small businesses need tax reform” US Chamber of Commerce, Small Business Nation via Politico April 15] AT

Policymakers in Washington must take note of this. Tax complexity and inequity negatively affect our economy, because it creates another time-consuming, resource-burning burden for small companies who would otherwise be devoting those assets to productive use. Everyone acknowledges the importance of small business to our economy. They employ about half of all private sector employees and create more than half of the non-farm private gross domestic product. Despite their significance to our economy, small businesses are not favored in our burdensome tax code. The cost of tax compliance for small businesses is nearly three times larger than big businesses. And the growing number of provisions, along with the fact that small firms frequently do not have an in-house accountant or tax attorney, means that small business owners must hire outside experts or add those duties to another employee’s workload. On top of the confusion around the tax code’s complexity are constant changes to the law. Too often, tax provisions are being extended for one year, months at a time, or even retroactively. This tax uncertainty, coupled with new regulations and a weak economy, has made it difficult for small firms to plan or grow their companies. In a recent Chamber of Commerce survey, eight in ten small businesses support comprehensive tax reform. They also indicate that they want tax reform to address the issue of complexity (52 percent), more than lower rates (27 percent). Yes, small business owners want lower rates so they can retain and reinvest more of their company’s revenue, but tax compliance takes up precious time and resources that could be devoted to growing the company. According to the 2013 Small Business Taxation Survey from the National Small Business Association, almost 40 percent of owners report spending 80 hours or more per year on federal taxes — that’s two full work weeks spent just on federal taxes. To address these issues, Washington should enact comprehensive tax reform this year. And to specifically help small businesses, any reform proposal must include reform of individual rates, and not just corporate rates. Why? Because about 75 percent of all businesses are organized as pass-through entities, such as LLCs and S corporations. These are companies that pay their taxes on their individual tax returns at individual rates, rather than on a corporate return. This is business income that is not the owner’s salary, but rather income that could be reinvested in the business. These businesses have a significant impact on the economy because, together, pass-throughs account for half (54 percent) of all business net income. Creating a tax code that is easier to navigate and promotes growth is a top priority for the House Small Business Committee. We’ve held twelve tax-related hearings since 2011 and the need for tax reform is a consistent message that we hear. Thankfully, this issue is a top priority for Ways and Means Committee Chairman Dave Camp (R-Mich.) . His committee, which has jurisdiction over the tax code, has held over 20 hearings since the start of the 112th Congress focusing on tax reform at all levels. Last month, Camp issued a tax reform discussion draft for small businesses that includes several approaches. As part of the larger effort to reform the code, Camp’s proposal would make Section 179 expensing for equipment and property permanent; simplify and expand the use of cash accounting for certain small firms; create a unified deduction for start-up and organizational expenses; and provide two options for reform of the Federal tax rules applicable to pass-through businesses. Last week, our committee held a hearing on tax reform in which Camp testified about his proposals. During his testimony, he said the tax code “ought to be easier to understand and less expensive for small businesses to comply with – because every dollar they aren’t spending on taxes and tax compliance is a dollar they have to invest in equipment, start a new production line, hire a new employee or provide more in wages and benefits.”

#### Second is revenue – revenues are sufficient now and key to the economy

Sollenberg 13 [(Dwayne, President at Sollenberger Accounting, served national, regional, and local CPA firms) “Tax revenue to play an important role in improvement of U.S. economy” Sollenberg Accounting] AT

The budget deficit in U.S. has created a stir amongst numerous economists. In May the budget deficit expanded by almost $139 billion. However the annual deficit limit has managed to remain below $1 trillion. After 2008 this is the first time that the deficit hasn’t crossed the $1 trillion mark. The increase in government’s tax revenue has contributed greatly in the overall economic growth. Government is also planning to work on reducing the expenses in every account. These things are expected to improve the financial situation even more. During the initial 8 month of this budget year the deficit summed up to be nearly $626 billion as per the reports of Treasury. Compared to the last year’s data the deficit has come down by $218 billion. Economists find this to be a really interesting fact. The federal deficit actually presents the main difference between the resources government spend and the tax revenues it earn. The adequate raise in tax revenue has made it possible to work on reducing the deficit limit. With considerable reduce in deficit the pressure on national debt will also reduce considerably. So, it can be said that tax revenue is playing a major role in keeping the national debt under control in U.S. All the extra expenses in every account like social securities have been trimmed down considerably. The stricter rules and regulations will make it easier to manage the expenses in social securities in a big way. The total revenue has increased by 15% and the total amount is currently $1.8 trillion. The considerably higher rates went into effect from 1st January this year. Various experienced economists are crediting the increase tax revenue for the overall growth in economy. Apart from good tax revenue, the increase in income from various other accounts like mortgage has also contributed highly in reducing the deficit limit. According to reports, Fannie Mae and Freddie Mac are going to contribute great dividends of nearly $59.4 billion. Such a huge contribution will help in keeping the overall expense accounts well balanced. According to the financial experts this is just the beginning and that’s why it’s too early to decide whether the deficit is going to remain this way for the coming months. Economists feel that it’s important to keep the spending accounts well in check to continue the reduction in deficit limit. Better tax revenue is currently an effective solution for increasing the overall earnings. It’s not that easy to predict the upcoming financial hurdles. So it’s not possible either predict that the deficit limit will surely reduce more in near future. However, there is continuous progress and the financial improving is approaching. So, you can expect that U.S. is going to recover it’s financial position again with low national debt.

#### Economic collapse causes extinction

Bearden 2000 [(Thomas, Lt. Col in US Army) “The Unnecessary Energy Crisis”, Free Republic, June 24, p. online wyo-tjc]

History bears out that desperate nations take desperate actions. Prior to the final economic collapse, the stress on nations will have increased the intensity and number of their conflicts, to the point where the arsenals of weapons of mass destruction (WMD) now possessed by some 25 nations, are almost certain to be released. As an example, suppose a starving North Korea launches nuclear weapons upon Japan and South Korea, including U.S. forces there, in a spasmodic suicidal response. Or suppose a desperate China-whose long-range nuclear missiles (some) can reach the United States-attacks Taiwan. In addition to immediate responses, the mutual treaties involved in such scenarios will quickly draw other nations into the conflict, escalating it significantly. Strategic nuclear studies have shown for decades that, under such extreme stress conditions, once a few nukes are launched, adversaries and potential adversaries are then compelled to launch on perception of preparations by one's adversary. The real legacy of the MAD concept is this side of the MAD coin that is almost never discussed. Without effective defense, the only chance a nation has to survive at all is to launch immediate full-bore pre-emptive strikes and try to take out its perceived foes as rapidly and massively as possible. As the studies showed, rapid escalation to full WMD exchange occurs. Today, a great percent of the WMD arsenals that will be unleashed, are already on site within the United States itself. The resulting great Armageddon will destroy civilization as we know it, and perhaps most of the biosphere, at least for many decades.

### Turns Heg

#### Economic slowdown causes fast decline – outweighs the aff

Khalilzad 11 [Zalmay Khalilzad, fromer US ambasadaor to Afghanistan, Iraq, and the UN, “The Economy and National Security”, National Review Online, February 8, 2011]

We face this domestic challenge while other major powers are experiencing rapid economic growth. Even though countries such as China, India, and Brazil have profound political, social, demographic, and economic problems, their economies are growing faster than ours, and this could alter the global distribution ofpower. These trends [which] could in the long term produce a multi-polar world. If U.S. policymakers fail to act and other powers continue to grow, it is not a question of whether but when a new international order will emerge. The closing of the gap between the United States and its rivals could intensify geopolitical competition[.] among major powers, increase incentives for local powers to play major powers against one another, and undercut our will to preclude or respond to international crises because of the higher risk of escalation. Thestakes are high. In modern history, the longest period of peace among the great powers has been the era of U.S. leadership. By contrast, multi-polar systems have been unstable, with their competitive dynamics resulting in frequent crises and major wars[.] among the great powers. Failures of multi-polar international systems produced both world wars.American retrenchment could have devastating consequences. Without an American security blanket, regional powers could rearm in an attempt to balance against emerging threats. Under this scenario, there would be a heightened possibility of arms races, miscalculation, or other crises spiraling into all-out conflict. Alternatively, in seeking to accommodate the stronger powers, weaker powers may shift their geopolitical posture away from the United States. Either way, hostile states would be emboldened to make aggressive moves in their regions. As rival powers rise, Asia in particular is likely to emerge as a zone of great-power competition. Beijing’s economic rise has enabled a dramatic military buildup focused on acquisitions of naval, cruise, and ballistic missiles, long-range stealth aircraft, and anti-satellite capabilities. China’s strategic modernization is aimed, ultimately, at denying the United States access to the seas around China. Even as cooperative economic ties in the region have grown, China’s expansive territorial claims — and provocative statements and actions following crises in Korea and incidents at sea — have roiled its relations with South Korea, Japan, India, and Southeast Asian states. Still, the United States is the most significant barrier facing Chinese hegemony and aggression.

### Econ Turns Democracy

#### Economic growth leads to more democracy, while economic recession hurts democracy – the academic consensus is overwhelming, it’s just a question of long-term effects.

Barro 99 [Robert J. Barro. Paul M. Warburg Professor of Economics at Harvard University. “Determinants of democracy.” Journal of Political Economy Vol. 107, No. S6 (December 1999), pp. S158-S183. 1999] AJ

A panel study of over 100 countries from 1960 to 1995 finds that improvements in the standard of living predict increase in democracy, as measured by a subjective indicator of electoral rights. The propensity for democracy rises with per capita GDP, primary schooling, and a smaller gap between male and female primary attainment. For a given standard of living, democaracy tends to fall with urbnization and with a greater reliance on natrual resources. Democracy has little relation to country size but rises with the middle‐class share of income. The apparently strong relation of democracy to colonial heritage mostly disappears when the economic variables are held constant. Similarly, the allowance for these economic variables weakens the interplay between democracy and religious affiliation. However, negative effects from Muslim and non‐religious affiliations remain intact.

#### He continues:

Barro 99 [Robert J. Barro. Paul M. Warburg Professor of Economics at Harvard University. “Determinants of democracy.” Journal of Political Economy Vol. 107, No. S6 (December 1999), pp. S158-S183. 1999] AJ

Inspection of the cross-country data suggests that countries at low levels of economic development typically do not sustain democracy. For example, the political freedoms installed in most of the newly independent African states in the early 1960s did not tend to last. Conversely, nondemocratic places that experience substantial economic development tend to become more dramatic. Examples include Chile, South Korea, Taiwan, Spain, and Portugal. Moreover, the countries of central and eastern Europe—which have been reasonably advanced economically for some time, especially in terms of education—eventually became more democratic.

### Turns Poverty/Inequality

#### Economic growth is the single best way to reduce poverty – solves even better than social spending policies

Bhagwati 11 [(Jagdish, University Professor of Law and Economics at Columbia University, Senior Fellow at the Council on Foreign Relations, served in top-level advisory positions for the WTO and UN, Economic Policy Adviser to the Director-General, GATT, Special Adviser to the UN on globalization) “Does Redistributing Income Reduce Poverty?” Project Syndicate Oct. 27, 2011] AT

NEW YORK – Many on the left are suspicious of the idea that economic growth helps to reduce poverty in developing countries. They argue that growth-oriented policies seek to increase gross national product, not to ameliorate poverty, and that redistribution is the key to poverty reduction. These assertions, however, are not borne out by the evidence. Since the 1950’s, developmental economists have understood that growth in GNP is not synonymous with increased welfare. But, even prior to independence, India’s leaders saw growth as essential for reducing poverty and increasing social welfare. In economic terms, growth was an instrument, not a target – the means by which the true targets, like poverty reduction and the social advancement of the masses, would be achieved. A quarter-century ago, I pointed out the two distinct ways in which economic growth would have this effect. First, growth would pull the poor into gainful employment, thereby helping to lift them out of poverty. Higher incomes would enable them to increase their personal spending on education and health (as seems to have been happening in India during its recent period of accelerated growth). Second, growth increases state revenues, which means that the government can potentially spend more on health and education for the poor. Of course, a country does not necessarily spend more on such items simply because it has increased revenue, and, even if it does, the programs it chooses to fund may not be effective. In almost willful ignorance of the fact that the growth-centered model has proved itself time and again, skeptics advocate an alternative “redistributive” developmental model, which they believe will have a greater impact on reducing poverty. Critics of the growth model argue that it is imperative to redistribute income and wealth as soon as possible. They claim that the Indian state of Kerala and the country of Bangladesh are examples where redistribution, rather than growth, has led to better outcomes for the poor than in the rest of India. CommentsYet, as Columbia University economist Arvind Panagariya’s recent work shows, Kerala’s social statistics were better than those in the rest of the country even before it instituted its current redistributive model. Moreover, Kerala has profited immensely from remittances sent home by its émigré workers in the Middle East, a factor unrelated to its redistributive policy. As for Bangladesh, the United Nations’ Human Development Index, admittedly a problematic source, ranks it below India. In impoverished countries where the poor exceed the rich by a huge margin, redistribution would increase the consumption of the poor only minimally – by, say, a chapati a day – and the increase would not be sustainable in a context of low income and high population growth. In short, for most developing countries, growth is the principal strategy for inclusive development – that is, development that consciously includes the marginal and poorest members of a society.

### Turns Crime

#### Econ turns crime

Doyle 99 [(et al, Joanne M. Doyle, James Madison University Associate Professor of Economics Program; Ehsan Ahmed professor and the head of the Economics Department in the College of Business at James Madison University; and Robert N. Horn, Professor of Economics at James Madison University) “The Effects of Labor Markets and Income Inequality on Crime: Evidence from Panel Data” Southern Economic Journal Vol. 65, No. 4 (Apr., 1999), pp. 717-738] AT

We estimate a model of property crime using a panel data set of the U.S. over the years 1984-1993. We focus on property crime under the assumption that property crime is more likely motivated by ﬁnancial gain and thus the beneﬁts and costs of property crime are more likely to be captured with economic variables than are the beneﬁts and costs of violent crime. For the purpose of comparison, we also present results from estimating the model for violent crime. The use of aggregate data, whether at the country, state, city, or police jurisdiction level, has been criticized since the model at hand is one of individual behavior. In spite of this criticism, such data have nevertheless been used in circumstances where individual data are not available. Given our focus on labor markets, income distribution, and demographics, we believe that aggregate data are well suited for our study since we can use a rich set of variables such as average market wages, sector-speciﬁc wages, unemployment rates, and income inequality measures. Furthermore, variables such as income inequality are not readily available at aggregation levels lower than the state level. Using panel data instead of a simple time series or cross-section allows us to control for unobserved heterogeneity across states, which greatly reduces the likelihood of an omitted variable bias. We ﬁnd econometric evidence that partly supports Freeman’s arguments. In particular, we ﬁnd, not surprisingly, that the proportion of young males in the population has a signiﬁcant positive effect on property crime yet a signiﬁcant negative effect on violent crime. More importantly, we ﬁnd strong evidence that favorable labor market conditions have signiﬁcant negative effects on both property crime and violent crime. We measure labor market conditions using an expected wage that takes into account wages, unemployment compensation, and the unemployment rate. We further analyze labor market conditions by replacing the expected wage with a vector of sector-speciﬁc average wages. We ﬁnd that property crime is most responsive to wages in low-skilled sectors. Surprisingly, we ﬁnd that, contrary to popular belief, income inequality has no independent effect on crime rates.

## Frontlines

### A2 Fraud

#### No fraud

Volz and Ellis 9 [(William, Professor of Business Law and Ethics at Wayne State University Detroit; B.A. 1968 from Michigan State University, A.M. 1972 from University of Michigan, J.D. 1975 from Wayne State University Law School, M.B.A. 1978 Harvard University; Theresa, Associate Attorney at Garrison LawHouse, B.A. 2003 from Wayne State University, J.D. 2006 from Valparaiso University School of Law, LL.M. in Taxation 2008 from Wayne State University Law School) AN ATTORNEY-CLIENT PRIVILEGE FOR EMBATTLED TAX PRACTITIONERS: A LEGISLATIVE RESPONSE TO UNCERTAIN LEGAL COUNSEL HOFSTRA LAW REVIEW Vol. 38:213] AT

There is no evidence to support a claim that clients seek attorneys to defraud the tax system. Attempts to defraud the IRS and abuse the system of self-assessment through egregious tax schemes can be addressed by the existing crime-fraud exception to the attorney-client privilege that allows the IRS to access these communications.227 If Congress believes that certain types of transactions and plans have a higher than acceptable potential to defraud the tax system, they can create Code language specifically excepting those transactions from the attorney-client privilege. When tax shelters roused suspicions, Congress enacted extensive reporting requirements and made eminently clear in the § 7525 tax practitioner privilege that tax shelter planning was specifically excluded from the new privilege.228

## More Link Scenarios

### Small Biz Key

#### Small businesses are the strongest internal link to the economy – strongest driver of growth and they’re the most vulnerable

Shepherdson 9/1 [Ian Shepherdson, contributor for Forbes, “Small Businesses Are The (Missing) Key To A Full Economic Recovery”]

You can’t understand the current state of the U.S. economy without understanding the role of small businesses. Big companies have been performing well for the past four years, thanks in part to huge support from the Fed in the early days after the meltdown of the financial system, but the small business sector is barely growing at all, if the monthly survey from the National Federation of Independent Business is to be believed. Small firms account for about half of GDP and employ about half the workforce, so if they are struggling it is very hard for the economy as a whole to grow in line with its long-term trend. Most small firms are tiny, with fewer than 10 employees, so their only external source of finance, apart from the owner’s pocket, is the bank. The stock of bank lending to commercial and industrial companies fell by about a quarter in the two years after Lehman, continuing to contract long after the capital markets, which provide most of the finance for big companies, re-opened for business. Small firms were not responsible for the boom or the bust, but they are an easy target for banks which have to shrink their balance sheets in a hurry. The Fed and the administration saved the banking system, but they did nothing to prevent the massive credit crunch which then engulfed small businesses. Bank lending began to recover in late 2010 and the stock of lending to companies has now returned to its pre-Lehman level, just. But this takes no account of inflation, and it will take at least another year for real lending to return to its previous peak. Until that happens, small firms will be constrained in their ability to hire, build inventory and spend on capital equipment, new software, buildings and research and development. And in the meantime, measures of small business activity and sentiment will remain much weaker than those of larger businesses, and the rate of economic growth will be stranded between the two, as it has been since the recovery began in 2009. Wall Street is fixated on public companies and doesn’t get the importance of the smallest companies, which is why analysts fall back on the idea that sluggish growth is now the “new normal”.

#### Sheer number of small businesses means harming them will tank the economy – they’re key to jobs

Sugars 12 [Brad, writer for NBC News, “How Many Jobs Can Your Startup Create This Year?”]

This, in my view, makes your entrepreneurial efforts not only one of the most creative endeavors you can undertake, but also one of the most noble and important. A small business can have major effects--sometimes invisible or not immediately seen--on its owners, employees, customers and suppliers. It also can share its resources with nonprofit groups, charities or religious institutions in the local community. Estimates place the number of small businesses in the U.S. at between 25 million and 27 million. Although many of these are "micro-companies" or are run by "solo-preneurs," the statistics are pretty consistent in showing that 60 percent to 80 percent of all U.S. jobs are created by small businesses. Just think what could happen to our unemployment rate--as well as our GDP--if every small business grew enough this year to hire just one additional person. A job would be created for each of the 13 million or so who are currently unemployed, and we'd have to find other new hires for the remaining 12 million companies.

### Revenues I/L

#### Revenue reduction would tank the economy

Engen and Skinner 96 [(Eric, Federal Reserve Board; and Jonathan, Department of Economics, Dartmouth College) “TAXATION AND ECONOMIC GROWTH” National Tax Journal Vol 49 no. 4 (December 1996) pp. 617-42] AT

Tax reforms are sometimes touted as having strong macroeconomic growth effects. Using three approaches, we consider the impact of a major tax reform—a 5 percentage point cut in marginal tax rates—on long-term growth rates. The first approach is to examine the historical record of the U.S. economy to evaluate whether tax cuts have been associated with economic growth. The second is to consider the evidence on taxation and growth for a large sample of countries. And finally, we use evidence from microlevel studies of labor supply, investment demand, and productivity growth. Our results suggest modest effects, on the order of 0.2 to 0.3 percentage point differences in growth rates in response to a major tax reform. Nevertheless, even such small effects can have a large cumulative impact on living standards. INTRODUCTION By now, a presidential campaign is incomplete without at least one proposal for tax reform. Recent proposals suggested that by reducing marginal tax rates, or by replacing the current federal income tax with a consumptiontype tax, the United States can experience increased work effort, saving, and investment, resulting in faster economic growth. For example, Steve Forbes vaulted briefly into the political limelight based almost solely on his advocacy of a flat tax which cut nearly every person’s tax bill, but which was supposed to balance the budget by stimulating economic growth. The Kemp Commission suggested that its general principles for tax reform would almost double U.S. economic growth rates over the next five to ten years.1 Most recently, presidential candidate Robert Dole proposed a 15 percent across-the-board income tax cut coupled with a halving of the tax on capital gains, with a predicted increase in gross domestic product (GDP) growth rates from about 2.5 to 3.5 percentage points.Others have questioned whether tax reform would have such beneficial effects on economic growth.2 If tax cuts fail to produce the projected boost in economic growth, tax revenues could decline, putting upward pressure on the deficit, worsening levels of national saving, and leading to laggard economic growth in the future. At this stage, however, there is little agreement about whether a major tax reform would provide an economic boon to the United States or impede economic growth.

### Debt Impact

#### US is cracking down on tax evasion – this is key to reducing the debt

Callahan 12 [(David, ) “To bridge the deficit, collect some taxes” Reuters Jan 12] AT

At a time when the U.S. government needs every dollar of revenue it can get, alarm bells should be sounding in Washington about a new IRS study showing that the Treasury is losing a fortune to tax evasion. The study, released last Friday, found that the government missed out on $385 billion in uncollected taxes in 2006, the most recent year for which the IRS has complete data. If we extrapolate the IRS’s assumption that the U.S. government only collects about 85 percent of total tax liabilities, the revenue lost by the Treasury in the past decade exceeds $3 trillion. That is serious money–nearly equal to all the new federal debt incurred during the Bush years. And without tougher action against tax cheats, the U.S. government stands to lose trillions more over the next decade. Many of the biggest tax cheats are wealthy earners. While most working stiffs–the W-2 crowd–get their taxes automatically withheld from their paychecks, business owners and self-employed professionals have lots of ways to cheat. And cheat they do: Unpaid taxes by businesses and corporations accounted for nearly half of the total tax gap in 2006. These figures only reinforce the public’s view that the U.S. tax system is unfair. According to a poll released last month by the Pew Research Center, 57 percent of Americans said that what bothers them most about taxes is that the wealthy don’t pay their “fair share” (compared with 28 percent who cited the complexity of the system and 14 percent the amount they paid as their top gripe). Deficit reduction has been near the top of the congressional agenda for the past two years, so you’d think lawmakers would be eager to crack down on tax evasion. Dream on. Republicans on Capitol Hill, determined to downsize government, are working instead to cut the IRS’s budget. In December, President Obama reluctantly signed a spending bill that whacks $305 million from the IRS budget, compared with 2011 levels. Republicans had initially tried to impose cuts twice that large–despite warnings from IRS Commissioner Douglas Schulman that such cuts would lead the IRS to collect $4 billion a year less in revenue. But even the cuts that did pass will lead to lost revenue and increase the federal deficit. That makes zero sense. Clearly, for many lawmakers, hating government is more about the principle than the consequences. In fact, it’s the Obama administration–supposedly so cavalier about tax dollars–that has led the charge to make sure the Treasury gets what it is owed. Two years ago, after Obama took office, the IRS created a special enforcement group focused on high-wealth individuals and has since ratcheted up its audits of these Americans. According to data released last March, highest-income filers were some 18 times more likely to be audited in 2010 than middle-income filers. That is way up from a decade ago, when the IRS audit rate for high-income filers was below 2 percent. The IRS is also trying to outsmart cheaters with a comprehensive strategy that includes advanced computer systems and better reporting requirements to identify hidden income. Meanwhile, the Justice Department has been going after Americans who stash cash overseas in illegal offshore accounts. Authorities have handed down numerous indictments in these types of cases in the past two years and have pushed key Swiss banks to turn over the names of tens of thousands of Americans with illegal accounts. Still, this battle has a long way to go; the government has estimated that over a million Americans have undeclared foreign bank accounts. The United States isn’t alone in facing an epidemic of tax evasion. Cheating is much worse elsewhere and is a major factor in the budget woes of European countries. A study released in November by the Tax Justice Network estimated that $3.1 trillion is lost worldwide every year to tax evasion, with Europe accounting for half that total. Few countries lose more revenue than Italy, where, the report said, over a quarter of all economic activity goes untaxed–or a staggering $238 billion a year in a country with an economy seven times smaller than that of the United States. Global leaders are waking up fast to the need for aggressive cooperative efforts to shut down offshore havens. One outcome of the G-20 summit last fall in Cannes was an agreement to fight these havens using diplomatic and economic pressure. European leaders hope these and other initiatives will bring in tens of billions in revenues. Making it harder to hide money in foreign banks will also mean new revenues for the U.S. Treasury. Ultimately, though, plugging the biggest leaks in the U.S. tax system will require far more disclosure and tracking of business income, along with a substantially stronger IRS–none of which is popular with Republicans on Capitol Hill.

#### Increased tax evasion causes debt

Demos 11 [“FEDERAL REVENUE LOST TO TAX EVASION” Demos Taxes Matter] AT

Tax evasion will cost the U.S. government $305 billion in 2010 and has cost $3 trillion over the past decade. It is a major contributor to budget deficits and the accumulation of national debt since 2001. Tax evasion also costs state treasuries billions of dollars. Every tax filer will pay an extra $2,200 in 2010 to make up for the funds lost to tax cheating. Even modest success in reducing tax evasion would free up significant new resources for spending or deficit reduction.

#### Every dollar of debt increases the chances of US-China trade war

Rumbelow 11 [(Helen, staff writer) “War is over: it’s economics for the Pentagon” The Times, August 12 2011]

Yet this was no ordinary “war game”, the deadly serious exercises that the US and the British Ministry of Defence alike run to prepare for traditional battle. This was the Pentagon’s first economic war game, though the authorities are loath to talk about it. Economic war? It sounds preposterous. Except it gets less so with every dollar of debt run up by America: currently $14.3 trillion and counting. This summer these figures have added grey hairs to President Obama’s head, and not just for the obvious reasons. Behind the scenes it is the military who are worried about the market. For who owns much of this debt? China, the US’s most powerful rival and threat. And that makes America vulnerable to a new kind of bloodless but ruthless war. You see, Rickards is not a soldier but a banker. He was joined in the war game by dozens of his Wall Street colleagues, flown in from Manhattan to this bunker at the Applied Physics Laboratory in Maryland for the two-day event in 2009, when the Pentagon started to get really alarmed. It could have been subtitled not, as in Dr Strangelove, “how I learnt to stop worrying and love the bomb” but “forget the bomb: how the Pentagon learnt to start worrying about the banks.” The group was split into five teams: America, Russia, China, Pacific Rim, and a “grey team” representing shady outfits such as terrorist organisations. The writer Tom Wolfe once likened Wall Street bankers to “masters of the universe”; now the US Government asked these men to play as if that was what they really wanted to become. They were sent into “bunker rooms” and told to use financial or economic tools — currency, debt, stocks, gold — to bring their enemies to their knees. Everything was conducted via computer, and they could be as devious and ruthless as they liked. The bankers liked. “These people would normally never come together. But there is nothing more fun than to take a Wall Street guy and tell him to be a bad guy,” says Rickards, a former senior executive who was involved in planning and executing the war game. When the game was halted, the result left the military men quiet and sobered. Why did the bankers scare the soldiers? The answer lies in the way the world is now interconnected as never before. For some, that is the key to its stability — the idea that we are in some way “beyond history” because for a nation to damage another only hurts itself. But recently, those in the top levels of government have reconsidered. Over the past few years China has been buying up US government debt, and is now its biggest holder. If China were to dump this debt, it would — not to get too technical — totally screw with the economy. China could, hypothetically, win any number of foreign policy objectives by making it impossible for you to pay your mortgage. Of course, the naysayers are right to point out that there are a million reasons why this wouldn’t happen. But an impossibility? No, and the threat of such extreme action — as in the Cold War — is having a political effect. Paul Bracken is a professor and expert in private equity at the Yale School of Management who serves on government advisory committees at the US Department of Defence. He was one of the key players behind the 2009 economic war game, and the smaller versions that have been played out since. “The atmosphere that day was one of surprise at the magnitude of the threat,” he says. “The Pentagon people were used to dealing in terms of military battles: how many ships, how many missiles. This opened up whole new strategies.” Of course, economic warfare is not new. God’s plagues on the Egyptian pharaoh’s crops, as reported in the Book of Exodus, were an early skirmish. Winston Churchill created a Ministry of Economic Warfare, to run as a “new instrument of war” against Hitler. Embargoes and sanctions have been targeted at dozens of countries, from South Africa to the Soviet Union. But this is different. The markets are now global, the holdings in each other’s finances deep, and the technical ability to manipulate them instantaneous. In the 1970s the West feared that its enemies had their fingers on a nuclear button. The modern equivalent may be China’s ability to press the button on US Treasury bills. China is, says Bracken, “the huge threat”, but Russia, with its oil and gas, has shown no compunction in waging economic war on its neighbours, and could do so on a larger scale. Another possibility is that major oil-producing countries could destabilise America by switching to euros instead of dollars as the currency in which oil is priced — so-called “petrodollar warfare”. Or a terrorist organisation might trigger a financial crash via some kind of shady hedge fund or computer attack. After the global financial collapse of 2008, the US Department of Defence commissioned a study into whether it could have been triggered by financial terrorism. “That’s nonsense. They’re not that smart — yet,” says Bracken. “But the threat of terrorists to act this way is credible. You’d be a fool to think they’re not trying to develop it, possibly with the assistance of a government.” What the economic war game showed Bracken was that military and economic decision-making has to be more unified. Banks and bonds are now weapons, just as much as bombs. “That makes the military nervous, as they had always been in charge of operations. That’s why they know they need to understand this,” says Bracken. Rickards is one of the few people with a foot in both worlds: finance and foreign policy. He has held senior positions at banks such as Citibank and, in his capacity as lawyer, negotiated in events such as the 1981 release of US hostages in Iran. He sees it as his mission to “help the two sides exchange views”. In a presentation to Pentagon officials on economic warfare, he said: “Strategically we are back to Cold War theories of deterrence. “For an enemy that cannot match the US on land, sea or air, the temptation to fight in the financial markets is great. The markets are more vulnerable than ever, the methods for attacking them are easy and inexpensive, and the returns in terms of destruction of wealth and confidence are inestimable. An enemy in a credible position need only threaten to do so to have the desired impact on policymakers.” Of course, Rickards says, people rebut this idea by saying that for China to hurt America would be to hurt itself, the pair’s fortunes are so intertwined. To dump US Treasury bills would be to ruin their value to the Chinese, too. “But nothing is free. If you’re going to confront the US military, you would spend billions. But if you can do so just as effectively in financial space, and it would cost less, why not? This is not a Pearl Harbor scenario, more a case of tit-for-tat escalation and threats.” Perhaps Britain felt a taste of this last year, with some stock market shocks that wiped millions off three British companies. BT lost £969 million on one afternoon in August, Next £275 million. Security services had to probe the possibility that it was not technical faults, as initially supposed, but a concerted attack by a nation state. This summer the International Monetary Fund’s IT system suffered a major breach, and its former senior security adviser said he believed it was the work of state-backed perpetrators. John Bassett, a fellow of the Royal United Services Institute, says that our Government, too, is just waking up to the new order. “If those were deliberate attacks on the London stock market, it was highly unlikely to be a criminal gang, much more likely an economic rival,” he says. “This is a ruthless competition for global economic supremacy, and the West isn’t winning.”

#### That destroys the global economy and causes US-China war

Droke 10 [(Clif, Editor – Momentum Strategies Report) “America and the Next Major War’, Green Faucet, 3-29]

It’s evident that as much as China’s internal markets are developing, that nation is still heavily reliant on the U.S., whether it wants to formally admit it or not.  For this reason, a trade war between the two nations would prove catastrophic and one can see how a trade war between these two economic titans could easily escalate into something far more destructive.  Touching on this issue in his latest book, “The Ascent of Money,” author Niall Ferguson asks, “Could anything trigger another breakdown of globalization like the one that happened in 1914 [leading to World War I]?  The obvious answer is a deterioration of political relations between the United States and China, whether over trade, Taiwan, Tibet or some other as yet subliminal issue.”He further comments, “Scholars of international relations would no doubt identify the systemic origins of the war in the breakdown of free trade, the competition for natural resources or the clash of civilizations….Some may even be tempted to say that the surge of commodity prices in the period from 2003 until 2008 reflected some unconscious market anticipation of the coming conflict.”

#### China-US War causes extinction

Straits Times 2000 [The Straits Times, “No One Gains in War over Taiwan,” 6/25/00, Lexis]

THE high-intensity scenario postulates a cross-strait war escalating into a full-scale war between the US and China. If Washington were to conclude that splitting China would better serve its national interests, then a full-scale war becomes unavoidable. Conflict on such a scale would embroil other countries far and near and -horror of horrors -raise the possibility of a nuclear war. Beijing has already told the US and Japan privately that it considers any country providing bases and logistics support to any US forces attacking China as belligerent parties open to its retaliation. In the region, this means South Korea, Japan, the Philippines and, to a lesser extent, Singapore. If China were to retaliate, east Asia will be set on fire. And the conflagration may not end there as opportunistic powers elsewhere may try to overturn the existing world order. With the US distracted, Russia may seek to redefine Europe's political landscape. The balance of power in the Middle East may be similarly upset by the likes of Iraq. In south Asia, hostilities between India and Pakistan, each armed with its own nuclear arsenal, could enter a new and dangerous phase. Will a full-scale Sino-US war lead to a nuclear war? According to General Matthew Ridgeway, commander of the US Eighth Army which fought against the Chinese in the Korean War, the US had at the time thought of using nuclear weapons against China to save the US from military defeat. In his book The Korean War, a personal account of the military and political aspects of the conflict and its implications on future US foreign policy, Gen Ridgeway said that US was confronted with two choices in Korea -truce or a broadened war, which could have led to the use of nuclear weapons. If the US had to resort to nuclear weaponry to defeat China long before the latter acquired a similar capability, there is little hope of winning a war against China 50 years later, short of using nuclear weapons. The US estimates that China possesses about 20 nuclear warheads that can destroy major American cities. Beijing also seems prepared to go for the nuclear option. A Chinese military officer disclosed recently that Beijing was considering a review of its "non first use" principle regarding nuclear weapons. Major-General Pan Zhangqiang, president of the military-funded Institute for Strategic Studies, told a gathering at the Woodrow Wilson International Centre for Scholars in Washington that although the government still abided by that principle, there were strong pressures from the military to drop it. He said military leaders considered the use of nuclear weapons mandatory if the country risked dismemberment as a result of foreign intervention. Gen Ridgeway said that should that come to pass, we would see the destruction of civilisation. There would be no victors in such a war. While the prospect of a nuclear Armaggedon over Taiwan might seem inconceivable, it cannot be ruled out entirely, for China puts sovereignty above everything else.

### Heg Impact

#### Tax incentives are the key internal link

OTP 7 [(Office of Tax Policy) “Approaches to Improve the Competitiveness of the U.S. Business Tax System for the 21st Century”, Dept of the Treasury, December 20, 2007] AT

The global economy has changed markedly over the past half century. Trade and investment flow across borders in greater volume and with greater ease. Increasingly, the ability of U.S. companies to grow and prosper depends on their ability to do business globally. As we look to the future of the U.S. economy and U.S. workers, we must look at our competitiveness through the lens of the global marketplace. There are many factors that affect the ability of U.S. workers and U.S. companies to compete globally, and issues as diverse as education, immigration, and trade policy have all been examined in this context. This paper examines the role of tax policy in affecting the global competitiveness of U.S. companies and U.S. workers. In the 1960s, international trade and investment flows were much less important to the U.S. economy and the decisions of U.S. companies than they are today. Thus, the United States was free to make decisions about its tax system based primarily on domestic considerations. Moreover, our trading partners generally followed the U.S. lead in tax policy. Globalization – the growing interdependence of countries resulting from increasing integration of trade, finance, investment, people, information, and ideas in one global marketplace – has resulted in increased cross-border trade and the establishment of production facilities and distribution networks around the globe. Businesses now operate more freely across borders, and business location and investment decisions are more sensitive to tax considerations than in the past. As barriers to cross-border movement of capital and goods have been reduced, differences in nations’ tax systems have become a greater factor in the success of global companies. Recognizing this, many nations have changed their business tax systems. During the past two decades, many of our major trading partners have lowered their corporate tax rates, some dramatically. The United States, which had a low corporate tax rate in the late 1980s as compared to other countries in the Organisation for Economic Co-operation and Development (OECD), now has the second highest statutory corporate tax rate among OECD countries. Moreover, other OECD countries continue to reduce their corporate income tax rates leaving the United States further behind. As other nations modernize their business tax systems to recognize the realities of the global economy, U.S. companies increasingly suffer a competitive disadvantage. The U.S. business tax system imposes a burden on U.S. companies and U.S. workers by raising the cost of investment in the United States and burdening U.S. firms as they compete with other firms in foreign markets. Taxing business income discourages investment by raising the cost of capital. The higher the cost of capital, the greater the disincentive to invest. The relatively high U.S. tax rate, compared to our trading partners, places a higher cost on investment. Business taxes play a particularly key role in the economy because they influence the ii incentive to acquire and use capital – the plants, offices, equipment, and software that corporations employ to produce goods and services. In general, an economy with more capital is more productive and ultimately attains a higher standard of living than economies that have accumulated less capital. Workers gain when businesses have more capital and, correspondingly, workers stand to lose when the tax system leads businesses to invest less and have a smaller capital stock.

#### US competitiveness solves hegemony and great power war

Baru 9 – Sanjaya Baru is a Professor at the Lee Kuan Yew School in Singapore Geopolitical Implications of the Current Global Financial Crisis, Strategic Analysis, Volume 33, Issue 2 March 2009 , pages 163 - 168

Hence, economic policies and performance do have strategic consequences.2 In the modern era, the idea that strong economic performance is the foundation of power was argued most persuasively by historian Paul Kennedy. 'Victory (in war)', Kennedy claimed, 'has repeatedly gone to the side with more flourishing productive base'.3 Drawing attention to the interrelationships between economic wealth, technological innovation, and the ability of states to efficiently mobilize economic and technological resources for power projection and national defence, Kennedy argued that nations that were able to better combine military and economic strength scored over others. 'The fact remains', Kennedy argued, 'that all of the major shifts in the world's military-power balance have followed alterations in the productive balances; and further, that the rising and falling of the various empires and states in the international system has been confirmed by the outcomes of the major Great Power wars, where victory has always gone to the side with the greatest material resources'.4 In Kennedy's view, the geopolitical consequences of an economic crisis, or even decline, would be transmitted through a nation's inability to find adequate financial resources to simultaneously sustain economic growth and military power, the classic 'guns versus butter' dilemma.

# Framework

## 1NC Cards

#### I value morality. The standard is maximizing well-being.

### Subjective Value Judgments [Nagel]

#### Simple perception tells us that pleasure is good and pain is bad – to deny the value of such judgments undermines the basis for any system of reasoning.

Thomas Nagel [“The View from Nowhere”. Oxford University Press. 1986. pg 156-157] AJ

I shall defend the unsurprising claim that sensory [P]leasure is good and pain bad, no matter whose they are. The point of the exercise is to see how the pressures of objectification operate in a simple case. Physical pleasure and pain do not usually depend on activities or desires which themselves raise questions of justification and value. They are just sensory experiences in relation to which we are fairly passive, but toward which we feel involuntary desire or aversion. Almost everyone takes the avoidance of his own pain and the promotion of his own pleasure as subjective reasons for action in a fairly simple way; they are not back[ed] up by any further reasons. On the other hand if someone pursues pain or avoids pleasure [it is a means to their end], either it as a means to some end or it is backed up by dark reasons like guilt or sexual masochism. What sort of general value, if any, ought to be assigned to pleasure and pain when we consider these facts from an objective standpoint? What kind of judgment can we reasonably make about these things when we view them in abstraction from who we are? We can begin by asking why there is no plausibility in the zero position, that [if] pleasure and pain have no value of any kind that can be objectively recognized. That would mean that I have no reason to take aspirin for a severe headache, however I may in fact be motivated; and that looking at it from outside, you couldn't even say that someone had a reason not to put his hand on a hot stove, just because of the pain. Try looking at it from the outside and see whether you can manage to withhold that judgment. If the idea of objective practical reason makes any sense at all, so that there is some judgment to withhold, it does not seem possible. If the general arguments against the reality of objective reasons are no good, then it is at least possible that I have a reason, and not just an inclination, to refrain from putting my hand on a hot stove. But given the possibility, it seems meaningless to deny that this is so. Oddly enough, however, we can think of a story that would go with such a denial. It might be suggested that the aversion to pain is a useful phobia—having nothing to do with the intrinsic undesirability of pain itself—which helps us avoid or escape the injuries that are signaled by pain. (The same type of purely instrumental value might be ascribed to sensory pleasure: the pleasures of food, drink, and sex might be regarded as having no value in themselves, though our natural attraction to them assists survival and reproduction.) There would then be nothing wrong with pain in itself, and someone who was never motivated deliberately to do anything just because he knew it would reduce or avoid pain would have nothing the matter with him. He would still have involuntary avoidance reactions, otherwise it would be hard to say that he felt pain at all. And he would be motivated to reduce pain for other reasons—because it was an effective way to avoid the danger being signaled, or because interfered with some physical or mental activity that was important to him. He just wouldn't [Dis]regard[ing] the pain as itself something he had any reason to avoid, even though he hated the feeling just as much as the rest of us. (And of course he wouldn't be able to justify the avoidance of pain in the way that we customarily justify avoiding what we hate without reason—that is, on the ground that even an irrational hatred makes its object very unpleasant!) There is nothing self-contradictory in this proposal, but it seems nevertheless insane. Without some positive reason to think there is nothing in itself good or bad about having an experience you intensely like or dislike, we can't seriously regard the common impression to the contrary as a collective illusion. Such things are at least good or bad for us, if anything is. What seems to be going on here is that [W]e cannot from an objective standpoint withhold a certain kind of endorsement of the most direct and immediate subjective value judgments we make concerning the contents of our own consciousness. We regard ourselves as too close to those things to be mistaken in our immediate, nonideological evaluative impressions. No objective view we can attain could possibly overrule our subjective authority in such cases. There can be no reason to reject the appearances here.

#### Precludes:

#### Subjective value judgments form the basis for any system of ethical reasoning since all questions of objectivity collapse to questions of subjectivity.

#### *Vs. Democracy:*

#### Democracy assumes there can be very few values that shouldn’t be collectively decided – but Nagel proves that to deny the badness of pain is meaningless, so it’s safe to make it the basis for a democratic system

### Experience [Harris]

#### Consequences are the only morally relevant determination since they’re the only form of value we can experience.

Sam Harris [2010. CEO Project Reason; PHD UCLA Neuroscience; BA Stanford Philosophy. The Moral Landscape: How Science Can Determine Human Values.”]

Here is my (consequentialist) starting point: all questions of value (right and wrong, good and evil, etc.) depend upon the possibility of experiencing such value. Without potential consequences at the level of experience—happiness, suffering, joy, despair, etc.—all talk of value is empty. Therefore, to say that an act is morally necessary, or evil, or blameless, is to make (tacit) claims about its consequences in the lives of conscious creatures (whether actual or potential). I am unaware of any interesting exception to this rule. Needless to say, [For example,] if one is worried about pleasing God or His angels, this assumes that such invisible entities are conscious (in some sense) and cognizant of human behavior. It also generally assumes [and] that it is possible to suffer their [his] wrath or enjoy their approval, either in this world or the world to come. Even within religion, therefore, consequences and conscious states remain the foundation of all values.

#### That outweighs:

#### Experience precludes: If it isn’t possible to experience the value from any ethical system then we would reject it – this undercuts other preclusionary arguments since no matter how preclusive the AC is it must link to consequences.

#### Motivations: It’s impossible for people to care about something that they cannot experience – motivations are key to a GOVERNMENT ethic since individuals would simply not obey a government that systematically ignored their well-being, so util is the only way the government can function.

### Extinction [Bostrom]

#### If there’s even a risk of ethical uncertainty, we should always prioritize the survival of the human race to ensure future value.

Bostrom [Nick Bostrom. Faculty of Philosophy & Oxford Martin School University of Oxford. “Existential Risk Prevention as Global Priority.” Global Policy (2012)]

These reflections on moral uncertainty suggest[s] an alternative, complementary way of looking at existential risk; they also suggest a new way of thinking about the ideal of sustainability. Let me elaborate.¶ [That] Our present understanding of axiology might well be confused. We may not now know — at least not in concrete detail — what outcomes would count as a big win for humanity; we might not even yet be able to imagine the best ends of our journey. If we are indeed profoundly uncertain about our ultimate aims, then we should recognize that there is a great option value in preserving — and ideally improving — our ability to recognize value and to steer the future accordingly. Ensuring that there will be a future version of humanity with great powers and a propensity to use them wisely is plausibly the best way available to us to increase the probability that the future will contain a lot of value. To do this, we must prevent any existential catastrophe.

#### Since ethical uncertainty is inevitable given the variability in attitudes regarding ethics, preventing extinction is the only way for decision-makers to ENSURE future value – so it comes before scenarios that assert absolute ethical truths.

### Equality [Hare]

#### The universizability of rules, drawing from basic assumptions of equality in addition to Kantian views of freedom, mandates the equal satisfaction of preferable end states.

**R. M. Hare** [White's Professor of Moral Philosophy at the University of Oxford from 1966 until 1983. “Universal Prescriptivism.” Originally published in Peter Singer, A Companion to Ethics (Blackwell Publishers, 1991)] **AJ**

A possible move for one who is looking for the necessary constraints on moral thinking is to say that unless I treat the person, in whose place I am imagining myself being, on equal terms with myself, showing him equal concern, I am not really imagining him as being me. This entails treating his preferences as of equal weight with my own present preferences, and thus forming preferences for the hypothetical situation in which I am he, equal in strength to those which he actually has. This is what is involved in following the Golden Rule, doing to others as we wish others to do to us, and loving our neighbours as ourselves. It is also implicit in Bentham's maxim 'Everybody to count for one, nobody for more than one' (cited in Mill, 1861, Ch. 5 s.f.). The Kantian method we have been outlining is consistent with a form of utilitarianism (though not, we must add, exactly Bentham's form, because that is put in terms of pleasure, whereas Kant's theory is put in terms of will). It is wrong to think, as many do, that Kantianism and utilitarianism have to be at odds. To treat a person 'never simply as a means but always at the same time as an end' requires, as Kant himself says on the next page, that 'the ends of a subject who is an end in himself must, if this conception is to have its full effect [46] in me, be also, as far as possible, my ends’ (1785, BA 69=430 f.). An end is what is willed for its own sake; so we are, according to Kant, to give equal respect to everybody's wills-for-ends, including our own; and this is what utilitarianism also binds us do. This involves, in a harmless sense, treating the ends of many people as if they were the ends of one person (myself). But this does not involve failing to 'take seriously the distinction between persons' (Rawls, 1971,pp. 27, 187)- a distinction of which Kant and the utilitarians are well aware.

#### Precludes:

#### Universizability best captures interpretations of equality since to truly consider others as equals we can’t take decisions with only our interests in mind. *[That takes out democracy since individual actors will maximize their utility with things like campaign donations, instead of fostering a collective sense of equality.]*

#### Philosophical consensus: My framework also captures rights-based theories like Kantianism, so it’s more likely to be true.

### Consensus [Gino]

#### Studies show that people consistently make decisions based on positive consequences.

Gino et al 8 [Francesca Gino Kenan-Flagler Business School, University of North Carolina at Chapel Hill, Don Moore Tepper Business School, Carnegie Mellon University, Max H. Bozman Harvard Business School, Harvard University. “No harm, no foul: The outcome bias in ethical judgments” Harvard Business School, 2008. <http://www.hbs.edu/research/pdf/08-080.pdf>] AT

The present studies provide strong evidence of the existence of outcome effects in ethically-relevant contexts, when people are asked to judge the ethicality of others’ behavior. It is worth noting that what we show is not the same as the curse of knowledge or the hindsight bias. The curse of knowledge describes people’s inability to recover an uninformed state of mind (Camerer, Loewenstein, & Weber, 1989). Likewise, the hindsight bias leads people to misremember what they believed before they knew an event’s outcome (e.g., Fischhoff, 1975; Fischhoff & Beyth, 1975). By contrast, we show that that outcomes of decisions lead people to see the decisions themselves in a different light, and that this effect does not depend on misremembering their prior state of mind. In other words, people will see it as entirely appropriate to allow a decision’s outcome to determine their assessment of the decision’s quality.

### Public Justification [Rhonheimer + Woller]

#### Public justification comes first. Government cannot concern itself with purely metaphysical questions because that would avoid consideration of what is required to achieve its ends.

MARTIN RHONHEIMER [Prof Of Philosophy at The Pontifical University of the Holy Cross in Rome. “THE POLITICAL ETHOS OF CONSTITUTIONAL DEMOCRACY AND THE PLACE OF NATURAL LAW IN PUBLIC REASON: RAWLS’S “POLITICAL LIBERALISM” REVISITED” The American Journal of Jurisprudence vol. 50 (2005), pp. 1-70]

It is a fundamental feature of political philosophy to be part of practical philosophy. ¶ Political philosophy belongs to ethics, which is practical, for it both reflects on practical **¶** knowledge and aims at action. Therefore, it is **not only** normative, but must consider the concrete conditions of realization. The rationale of political institutions **and action** must be understood as embedded in concrete **cultural and, therefore, historical** contexts **and** as meeting with problems that only in these contexts are understandable. A normative political philosophy which would abstract from the [ignore] conditions of realizability would be ¶ trying to establish norms for realizing the “idea of the good” or of “the just” (as Plato, in ¶ fact, tried to do in his Republic). Such a purely metaphysical view, however, [and is] is doomed to fail**ure**. As a theory of political praxis, political philosophy must include in its reflection the concrete historical context, historical experiences and the corresponding knowledge of the proper logic of the political.¶ 14¶ Briefly: political philosophy is not metaphysics, which contemplates the necessary order of being, but practical philosophy, which ¶ deals with partly contingent matters and aims at action. ¶ Moreover, unlike moral norms in general—natural law included,—which rule the ¶ actions of a person—“my acting” and pursuing the good—, the logic of the political is ¶ characterized [shown] by acts like framing institutions and establishing legal rules by which not only personal actions but the actions of a multitude of [many] persons are regulated by the coercive force of state power, and by which a part of citizens exercises power over others. ¶ Political actions are, thus, both actions of the [for the] whole of the body politic and referring to ¶ the whole of the community of citizens.¶ 15¶ Unless we wish to espouse a platonic view according to which [would say that] some persons are by ¶ nature rulers while others are by nature subjects, we will stick to the Aristotelian differentiation between the “domestic” and the “political” kind of rule¶ 16¶ : unlike domestic rule, ¶ which is over people with a common interest and harmoniously striving after the same ¶ good [despotism] and, therefore, according to Aristotle is essentially “despotic,” political rule is exercised over free persons who represent a plurality of [have many] interests and pursue, in the common context of the polis, different goods. The exercise of such political rule, therefore, needs justification and is continuously in search of consent among those who are [the] ruled, but who potentially at the same time are also the rulers.

#### **That means util**

Gary Woller 97 [BYU Prof., “An Overview by Gary Woller”, A Forum on the Role of Environmental Ethics, June 1997, pg. 10]

Moreover, virtually all public policies entail some redistribution of economic or political resources, such that one group's gains must come at another group's ex- pense. Consequently, public policies in a democracy must be justified to the public, and especially to those who pay the costs of those policies. Such [but] justification cannot simply be assumed a priori by invoking some higher-order moral principle. Appeals to a priori moral principles, such as environmental preservation, also often fail to acknowledge that public policies inevitably entail trade-offs among competing values. Thus since policymakers cannot justify inherent value conflicts to the public in any philosophical sense, and since public policies inherently imply winners and losers, the policymakers' duty [is] to the public interest requires them to demonstrate that the redistributive effects and value trade-offs implied by their polices are somehow to the overall advantage of society. At the same time, deontologically based ethical systems have severe practical limitations as a basis for public policy. At best, [Also,] apriorimoral principles provide only general guidance to ethical dilemmas in public affairs and do not themselves suggest appropriate public policies, and at worst, they create a regimen of regulatory unreasonableness while failing to adequately address the problem or actually making it worse.For example, a moral obligation to preserve the environment by no means implies the best way, or any way for that matter, to do so, just as there is no a priori reason to believe that any policy that claims to preserve the environment will actually do so. Any number of policies might work, and others, although seemingly consistent with the moral principle, will fail utterly. That deontological principles are an inadequate basis for environmental policy is evident in the rather significant irony that most forms of deontologically based environmental laws and regulations tend to be implemented in a very utilitarian manner by street-level enforcement officials. Moreover, ignoring the relevant costs and benefits of environmental policy and their attendant incentive structures can, as alluded to above, actually work at cross purposes to environmental preservation. (There exists an extensive literature on this aspect of regulatory enforcement and the often perverse outcomes of regulatory policy. See, for example, Ackerman, 1981; Bartrip and Fenn, 1983; Hawkins, 1983, 1984; Hawkins and Thomas, 1984.) Even the most die-hard preservationist/deontologist would, I believe, be troubled by this outcome. The above points are perhaps best expressed by Richard Flathman, The number of values typically involved in public policy decisions, the broad categories which must be employed and above all, the scope and complexity of the consequences to be anticipated militate against reasoning so conclusively that they generate an imperative to institute a specific policy. It is seldom the case that only one policy will meet the criteria of the public interest (1958, p. 12). It therefore follows that in a democracy, policymakers have an ethical duty to establish a plausible link between policy alternatives and the problems they address, and the public must be reasonably assured that a policy will actually do something about an existing problem; this requires the means-end language and methodology of utilitarian ethics. Good intentions, lofty rhetoric, and moral piety are an insufficient though perhaps at times a necessary, basis for public policy in a democracy.